

ATTACHMENT
Federal Register Notice
(FR Vol. 64, No. 225/November 23, 1999)

FEDERAL FINANCIAL INSTITUTIONS EXAMINATION COUNCIL

**Uniform Retail Credit Classification and Account Management Policy; Extension of
Implementation Period**

AGENCY: Federal Financial Institutions Examination Council.

ACTION: Final notice; extension of implementation period.

SUMMARY: The Federal Financial Institutions Examination Council (FFIEC), on behalf of the Board of Governors of the Federal Reserve System (FRB), the Federal Deposit Insurance Corporation (FDIC), the Office of the Comptroller of the Currency (OCC), and the Office of Thrift Supervision (OTS), collectively referred to as the Agencies, is extending the implementation period for the Uniform Retail Credit Classification and Account Management Policy. The Uniform Retail Credit Classification and Account Management Policy is a supervisory policy used by the Agencies for uniform classification and treatment of retail credit loans in financial institutions.

DATES: November 23, 1999

FOR FURTHER INFORMATION CONTACT:

FRB: David Adkins, Supervisory Financial Analyst, (202) 452-5259, Division of Banking Supervision and Regulation, Board of Governors of the Federal Reserve System. For the hearing impaired only, Telecommunication Device for the Deaf (TDD), Dorothea Thompson, (202) 452-3544, Board of Governors of the Federal Reserve System, 20th and C Streets NW, Washington, DC 20551.

FDIC: James Leitner, Examination Specialist, (202) 898-6790, Division of Supervision.

For legal issues, Michael Phillips, Counsel, (202) 898-3581, Supervision and Legislation Branch, Federal Deposit Insurance Corporation, 550 17th Street NW, Washington, DC 20429.

OCC: Daniel L. Pearson, National Bank Examiner, Credit Risk Division, (202) 874-5170; or Ron Shimabukuro, Senior Attorney, Legislative and Regulatory Activities Division (202) 874-5090, Office of the Comptroller of the Currency, 250 E Street SW, Washington, DC 20219.

OTS: Donna M. Deale, Manager, Supervision Policy (202) 906-7488; or Karen A. Osterloh, Assistant Chief Counsel, Regulations and Legislation Division, Chief Counsel's Office (202) 906-6639, Office of Thrift Supervision, 1700 G Street NW, Washington, DC 20552.

SUPPLEMENTARY INFORMATION:

Background Information

On February 10, 1999, the FFIEC published final revisions to the Uniform Retail Credit Classification and Account Management Policy (64 FR 6655). The Agencies undertook a review of the 1980 policy as part of their review of all written policies mandated by section 303(a) of the Riegle Community Development and Regulatory Improvement Act of 1994. The Agencies determined that the 1980 policy should be revised due to changes that have taken place within the industry. In general, the final policy statement:

- Established a uniform charge-off policy for open-end credit at 180 days delinquency and closed-end credit at 120 days delinquency.
- Provided uniform guidance for loans affected by bankruptcy, fraud, and death.
- Established guidelines for re-aging, extending, deferring, or rewriting past due accounts.
- Classified certain delinquent residential mortgage and home equity loans.

- Broadened recognition of partial payments that qualify as full payments.

Implementation Period

The final policy became effective for manual adjustments to an institution's policies and procedures as of the June 30, 1999, Call Report or Thrift Financial Report (Reports), as appropriate. In addition, the final policy allowed institutions until the December 31, 2000, Reports to make changes involving programming resources. At the time of publishing the final policy, the Agencies were primarily concerned about drawing away scarce programming resources from the Year 2000 compliance effort. The Agencies recognize that the staggered implementation date imposes a shorter adjustment period on banks that are less automated. Additionally, the Agencies received comments from the industry, subsequent to the publication of the policy in the Federal Register, to delay the implementation of the policy for all financial institutions to December 31, 2000.

In order to allow all institutions to meet the implementation deadlines within the same time period, including those that are not highly automated, the Agencies are modifying the effective date. This notice extends the implementation date for manual changes to the December 31, 2000, Call Report or Thrift Financial Report. Institutions that have already implemented manual changes to meet the revised guidelines may continue to use their revised policies and procedures, but are not required to do so.

Dated: Signed November 17, 1999

Keith Todd.

Executive Secretary, Federal Financial Institutions Examination Council.